

TClarke

Investor Pack

Preliminary Results for the year ending 31 December 2022

ENGINEERING SERVICES

TECHNOLOGIES

INFRASTRUCTURE

RESIDENTIAL & HOTELS

FACILITIES MANAGEMENT



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Introduction to your presenters



Mark Lawrence
Group Chief Executive Officer
Appointed to the Board on 2nd May 2003

Mark has been with the Company for 37 years and started at TClarke as an electrical apprentice in 1985. As Group Chief Executive Officer since January 2010, Mark has led strategic change across the Group.



Trevor Mitchell
Group Finance Director
Appointed to the Board on 1st February 2018

Trevor is a Chartered Accountant with extensive experience across many sectors. Prior to his appointment, Trevor had been working with TClarke since October 2016, assisting with simplifying the structure and improving the Group's financial controls and procedures.



Established 1889

Onsite Resource

Technology Leadership

Engineering Expertise

What makes TClarke Unique

Client Retention

Nationwide Capability

Brand and Heritage

Who we are

TClarke remains at the forefront of Building Services. Our innovation and expertise are employed in the design, installation, integration and maintenance of the mechanical and electrical systems and technologies that a 21st century building needs for control, performance and sustainability.

Our first class terms have the knowledge, skills and reputation to continue to be regarded as one of the best contractors in the sector.

Strong operating performance

£426m

Group Revenue
2021: £327m

£11.5m

Operating Profit
2021: £8.8m

2.7%

Operating Margin
2021: 2.7%

£555m

Forward Order Book
2021: £534m

Financial strength and shareholder returns

£7.5m

Net Cash
2021: £5.3m

£2.6m

Average month end Net cash
2021: £2.9m

19.60p

Earnings per share
2021: 14.99p

5.35p

Dividends per share
2021: 4.85p

People

Directly employed, High quality Engineering Services personnel.



Apprentices

Renowned for Our apprentice Programme with Highest intake In our sector.

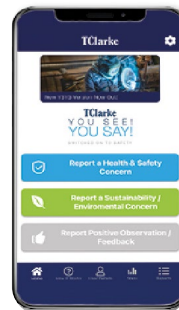
Where we operate

TClarke provides a complete UK coverage from nineteen locations nationwide to allow us maximum agility in tendering and delivering the projects we target.

We are a proud employer of local people in the communities we serve.



Protecting Our People

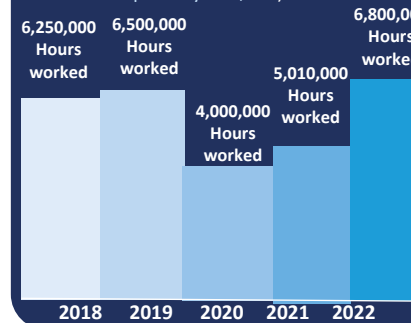


You See, You Say! Reports

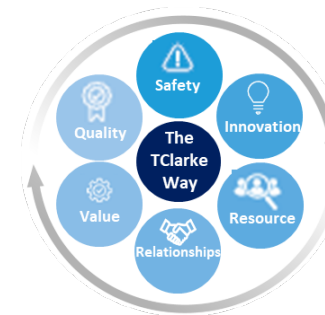
2022	7,382
2021	6,632
2020	3,304
2019	6,124
2018	5,316

Continual focus on Accidents and incidents

AFR frequency rate (number of accidents divided by number of hours multiplied by 100,000)



Being a Responsible Business



Social and Environmental value

210 Apprentices
Record intake 50 apprentices in 2022 2021: 195

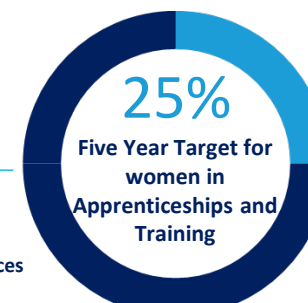
43 Future Leaders enrolled
On our training programme
2021: 40

21,206 Training days completed in 2022
2021: 19,645

58 Average supplier payment days
2022: 60

4.8 Emissions (tCO₂e) Per £m revenue
2021: 5.8

16% of workforce Apprentices



Purpose, Strategy and Values

Our purpose is inspiring talent to deliver excellence in our chosen markets

Our strategy is to pursue organic growth by focusing on our five core market sectors; Engineering Services, Technology, Infrastructure, Residential and Hotels and Facilities Management

Our core values drive our culture

We believe we can make a difference

- Recruiting people with diverse perspectives, who are passionate about what they do
- Delivering projects of exceptional quality
- Pursuing our strategy to reach net zero carbon emissions by 2026
- Adding value to the communities where we work by procuring locally, providing job and training opportunities, and supporting local charities
- Being guided by our Core Values in everything we do
- 25% five year target for women in apprenticeships and training

Our strategic priorities

The following priorities are essential to achieving Our purpose and strategy:



Increase our quality of earnings

Through project selectivity, operational efficiency and investment



Maintain a strong balance sheet and significant levels of available funds at all times



Secure long-term workstreams

Through client and partner relationships, Generating repeat business



Being a responsible business

- Protecting people
- Developing people
- Improving the environment
- Working together with our supply chain
- Enhancing communities



Excel in project delivery for our customers



The customer comes first



Talented people are key to our success



We must adopt new technology and drive change



Consistent achievement is key to our future

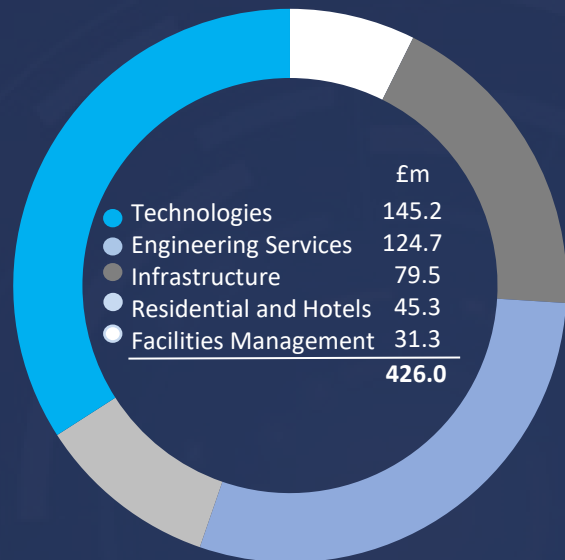
Extract from RNS

- Record results with the Group on course for achieving its strategic target of £500m annual revenue
- Strong balance sheet
- High quality and growing forward order book of £555m, up 4% on 2021
- Data Centre business expanding rapidly; 2022 revenue £129m (2021: £39m)
- Further progress made in expanding healthcare, large projects outside London and smart buildings. Total 2022 revenues £91m (2021: £51m)
- Progressive dividend policy with total dividend up 10%
- Record intake of 50 apprentices, with 210 now employed across TClarke
- New target of 25% women in apprenticeship and training roles by 2028
- Total type 1 and 2 emissions fell to 4.8 tCO₂e/£m revenue (2021: 5.8 tCO₂e /£m revenue)

Full year ended 31 Dec	2022	2021	Change
Revenue	£426.0m	£327.1m	+30%
Operating Profit	£11.5m	£8.8m	+31%
Profit before tax	£10.2m	£7.8m	+31%
Earnings per share	19.60p	14.99p	+31%
Net cash at year end	£7.5m	£5.3m	+42%
Total dividend per share	5.35p	4.85p	+10%

Financial Highlights

2022 Revenue by Business Sector



Strong
Operating
performance

£426m

Group Revenue
2021: £327m

£11.5m

Operating Profit
2021: £8.8m

2.7%

Operating Margin
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£555m

Forward Order Book
2021: £534m

Financial
Strength and
Shareholder
returns

£7.5m

Net Cash
2021: £5.3m

£2.6m

**Average month end
net cash**
2021: (£2.9m)

19.60p

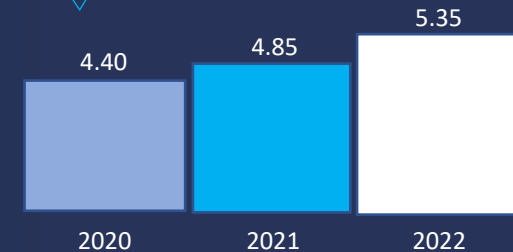
Earnings per share
2021: 14.99p

5.35p

Dividends per share
2021: 4.85p

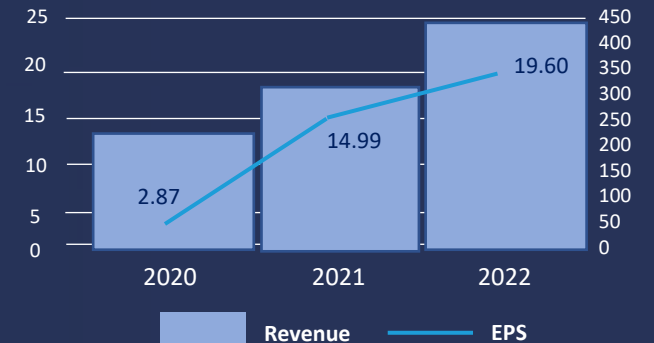
Progressive Dividend Policy

2020-2022 (pence per share)



Earnings per share

2020 – 2022 (pence per share)

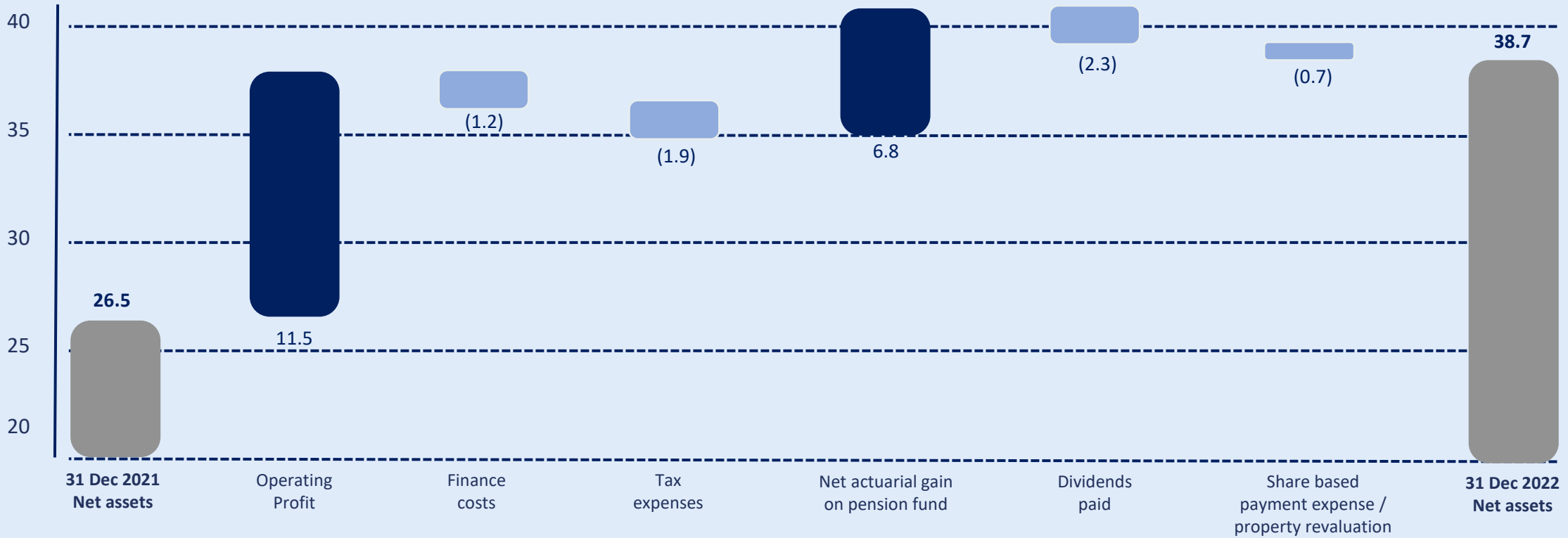


Strong Balance Sheet

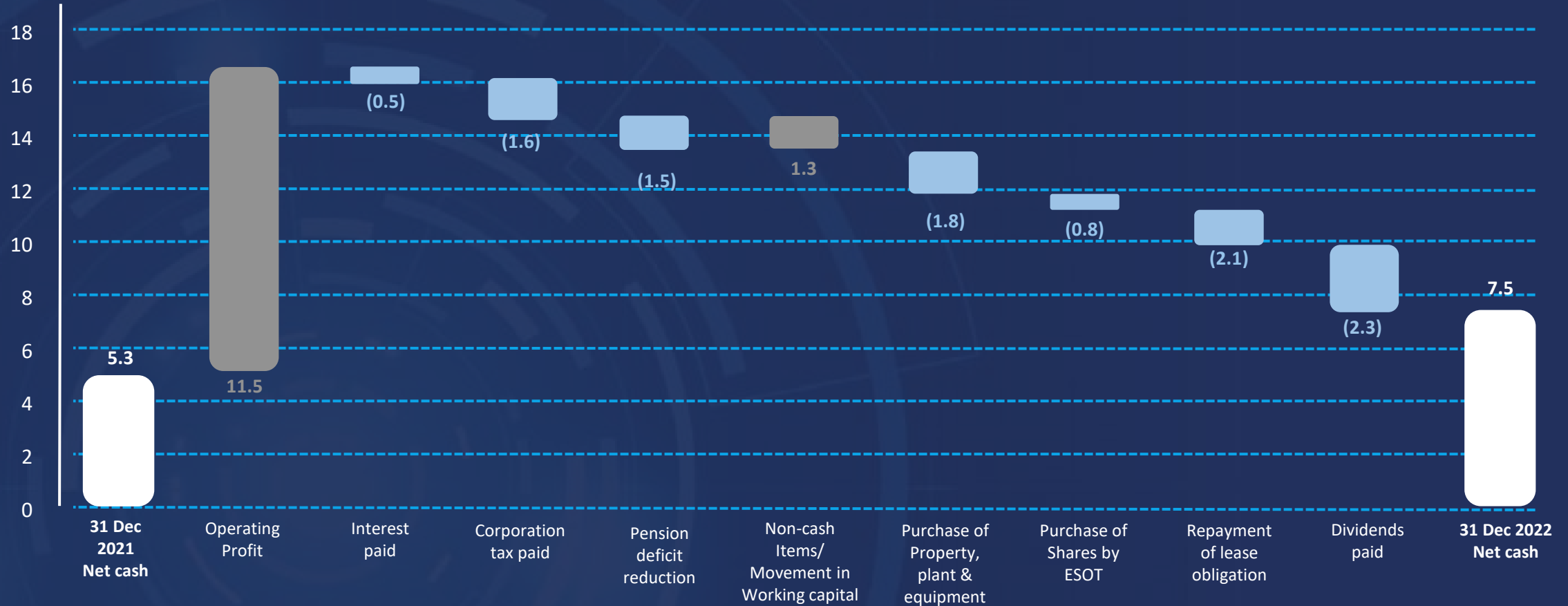
- Increase in net assets of £12.2m
- Reduction in pension deficit mainly due to increase in discount rate
- Increase in Property, Plant and Equipment and other non current liabilities primarily due to capitalisation of new leases under IFRS 16

Balance sheet £m	31 Dec 2022	31 Dec 2021
Intangible assets & goodwill	25.3	25.3
Property Plant & Equipment	13.5	7.5
Other non-current assets	9.9	11.3
Working capital	3.6	4.0
Net cash	7.5	5.3
Pension deficit	(12.9)	(23.9)
Other non-current liabilities	(8.2)	(3.0)
Total net assets	38.7	26.5

Increase In Net Assets (£m)

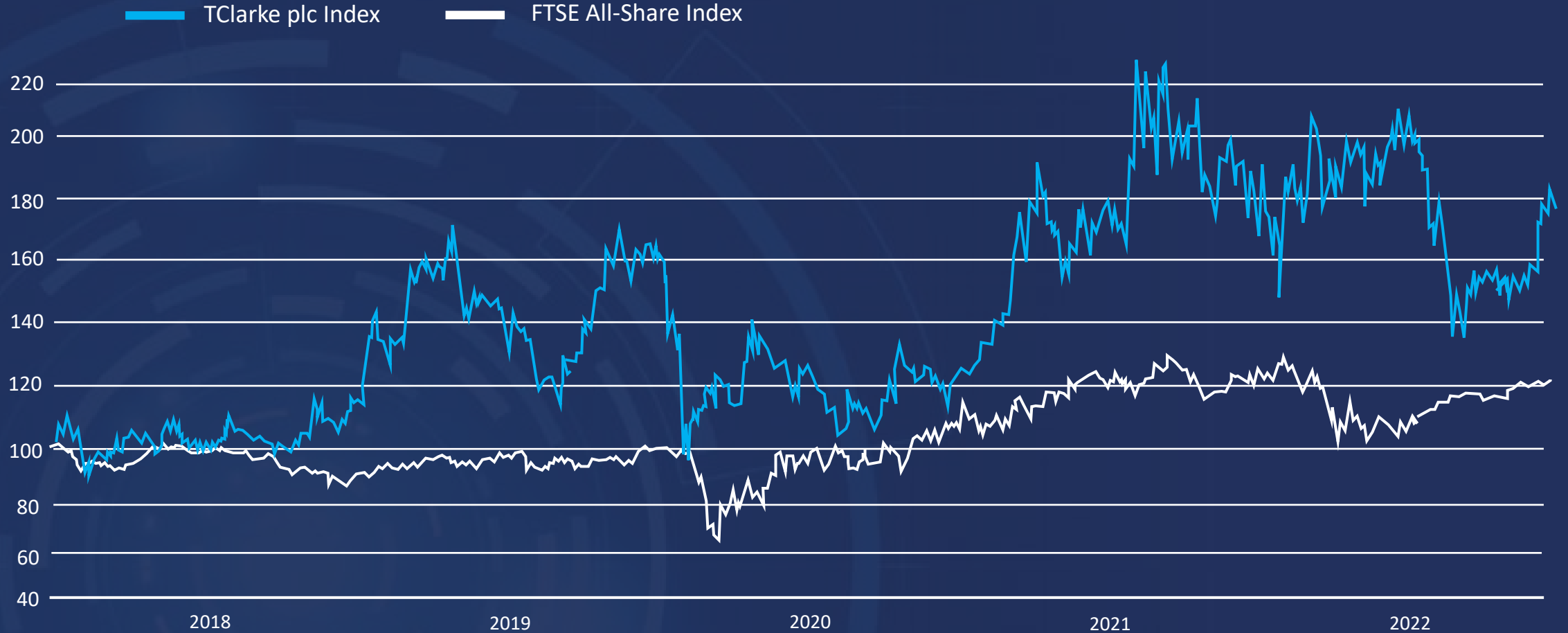


Cash Performance (£m)



- Average month end cash £2.6m

Relative Shareholder Return



5 year relative performance
Index at 31st December 2017 equals 100

Our Strategy

2022 Volumes to Exceed £400m by:

- Focusing on our 5 core markets
- Expanding our data centre business

2022 Achievement

- Turnover £426m. Increase of £99m
- Data centre turnover now one third of Group turnover



Sustain a 3% Operating Margin by:

- Successful targeted tendering
- Operational efficiency and economies of scale

2022 Achievement

- 2.7% achieved



£500m
Annual
Revenue

Expand Growth Organically by:

- Data centre business
- Large projects across the UK
- Healthcare offering
- Energy efficient smart building solutions

2022 Achievement

- Data Centres £129m (2021: £39m)
- Healthcare £47m (2021: £31m)
- Large projects £37m (2021: £16m)
- Smart buildings £7m (2021: £4m)



Maintain our Premium Position In our Core Market by:

- Focusing on our 5 core markets
- Building long term relationships
- Remaining contractor of choice for major London projects

2022 Achievement

- Orderbook replenished and increased
- 90% of turnover from repeat clients



Market Sectors



Engineering Services



Revenue £125m
2021: £116m

	No. of 2022 Projects	Projects in Order Book
Commercial Offices	44	38
Leisure	16	10
Retail	24	7
Other	26	18
Totals	110	73



Technologies



Revenue £145m
2021: £50m

	No. of 2022 Projects	Projects in Order Book
Manufacturing and Prefabrication	5	2
Data Centres	6	5
Smart Buildings	31	24
Other	15	13
Totals	57	44



Infrastructure



Revenue £80m
2021: £79m

	No. of 2022 Projects	Projects in Order Book
Defence	10	9
Education	76	42
Healthcare	55	44
Prisons	6	7
Other Government	10	5
Totals	147	102



Residential & Hotels



Revenue £45m
2021: £56m

	No. of 2022 Projects	Projects in Order Book
Hotels	3	4
New Build	103	79
Refurbishment	7	5
Student Accommodation	1	1
Totals	114	89



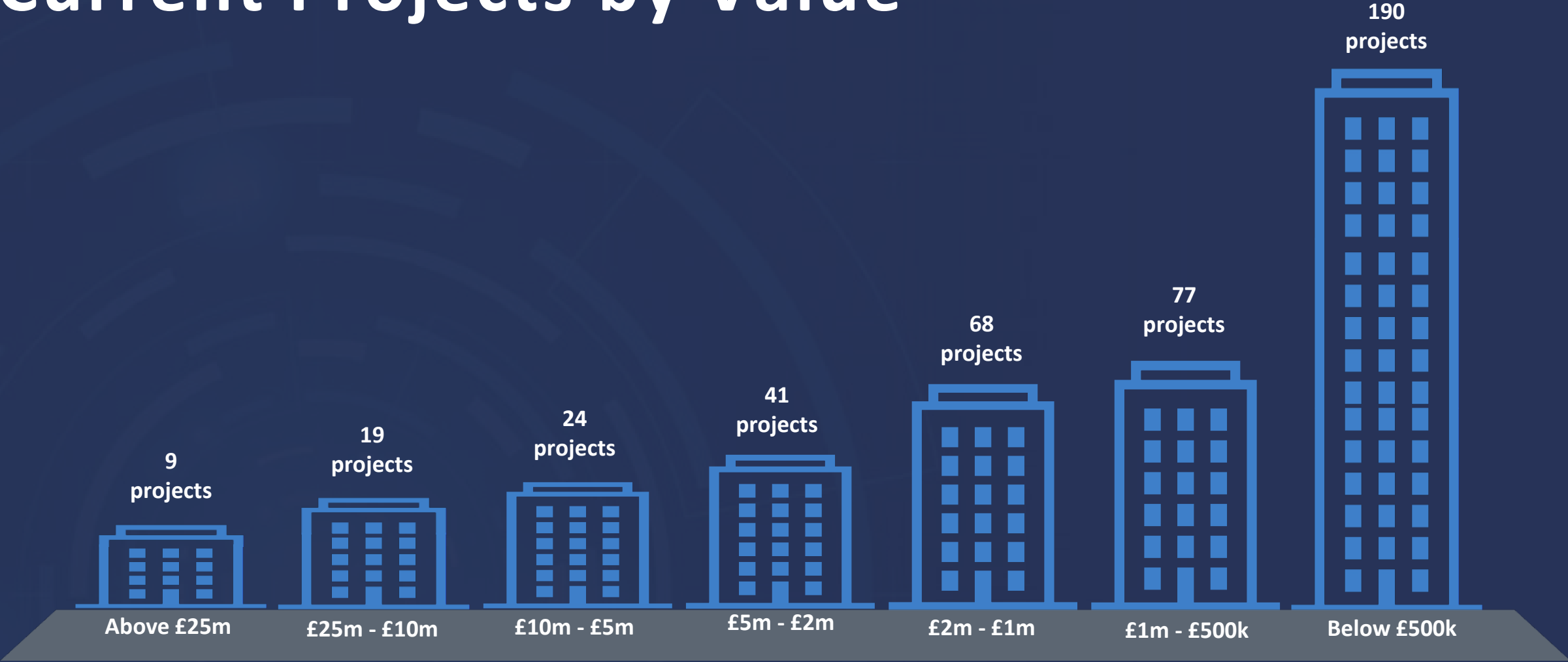
Facilities Management



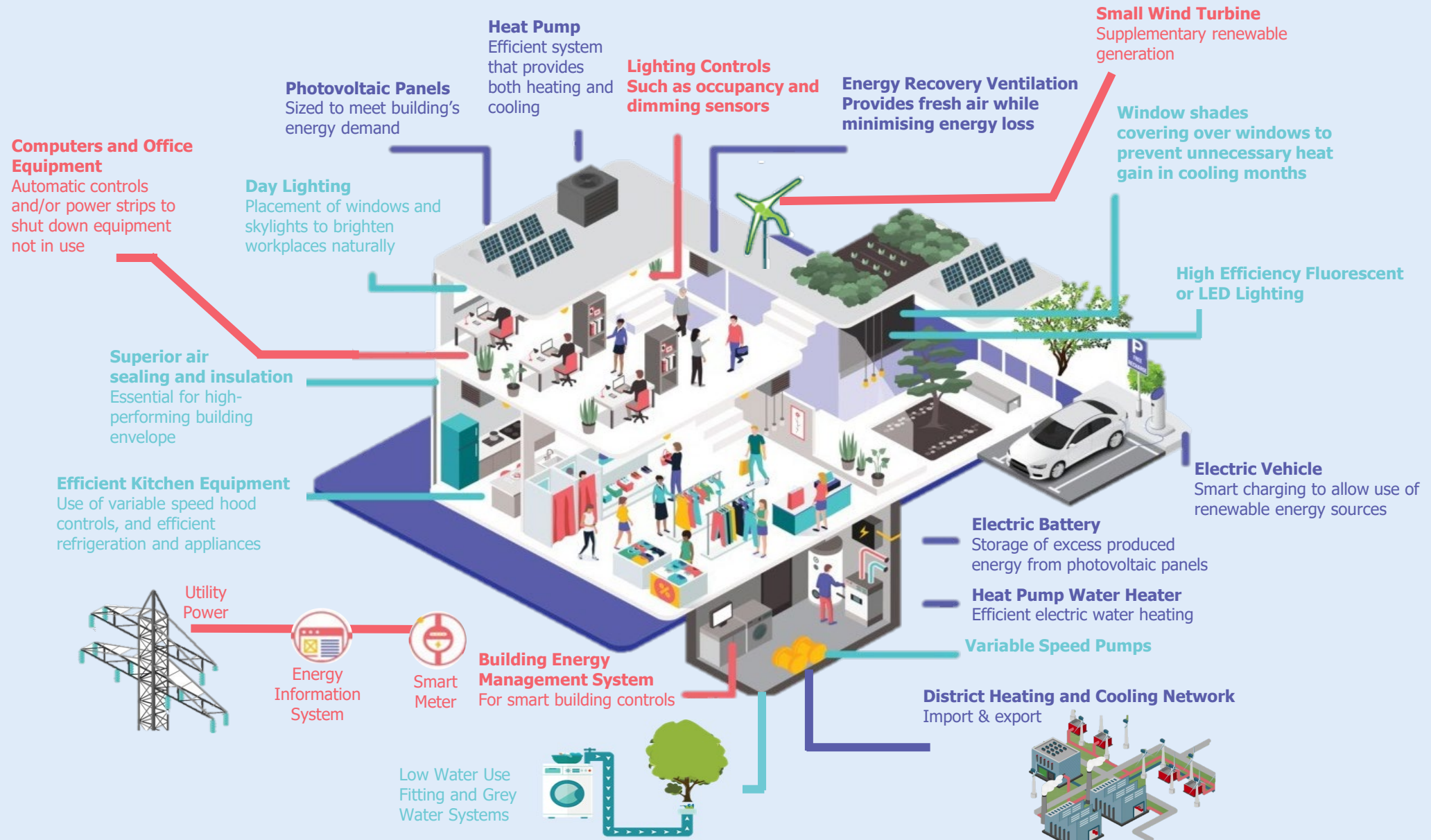
Revenue £31m
2021: £26m

	2022 Revenue	Order Book
Long Term Frameworks	£8m	£9m
Planned and Reactive Maintenance	£23m	£16m
Totals	£31m	£25m

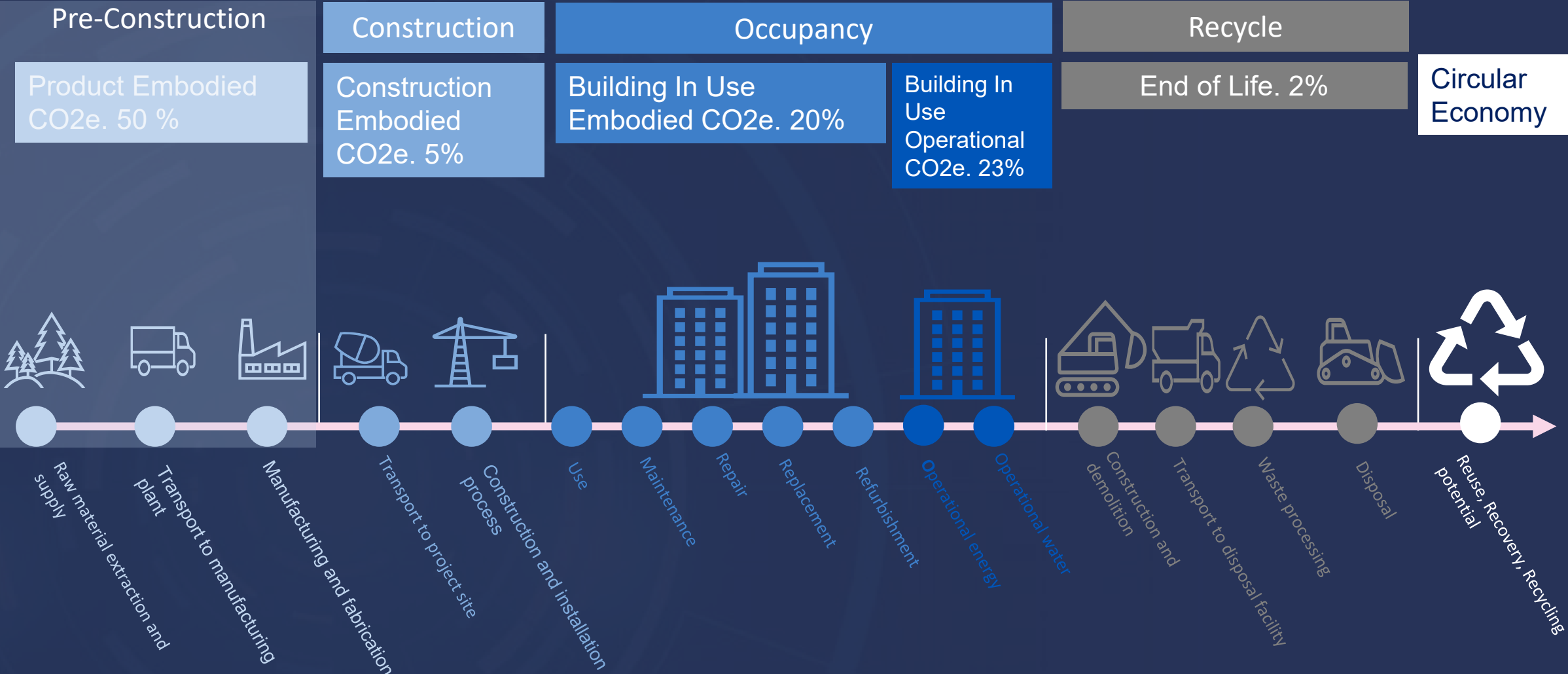
Current Projects by Value



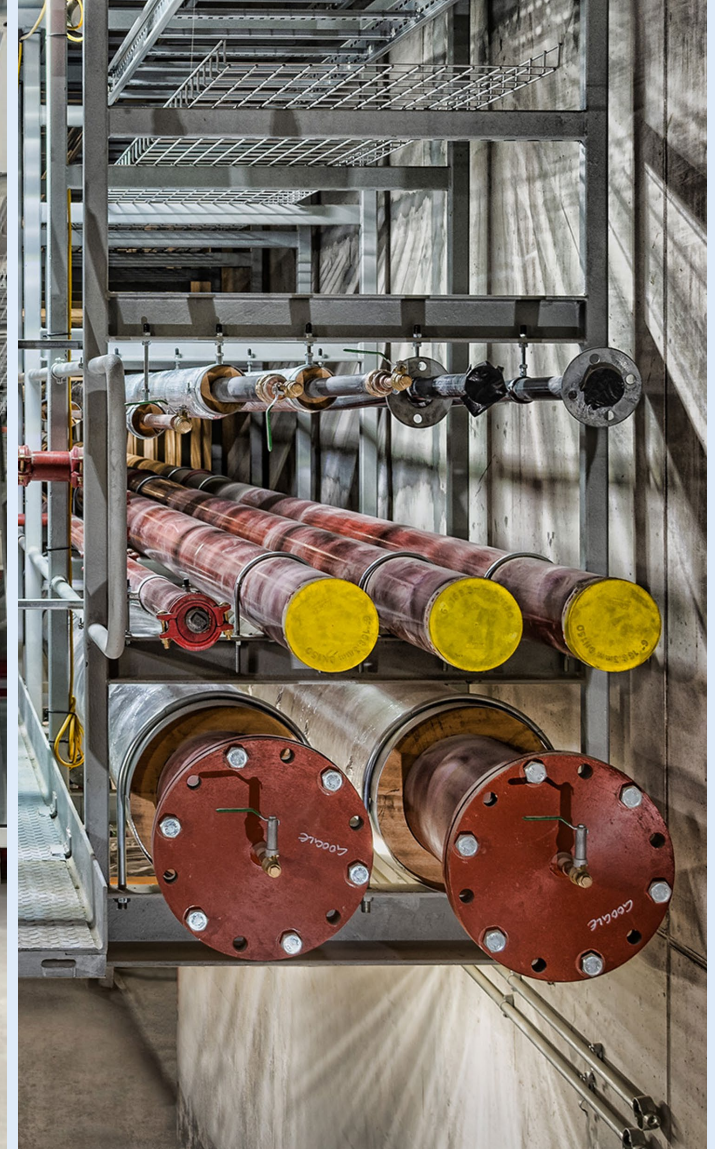
Sustainability – New Revenue Opportunities



Whole Life Carbon Analysis; Challenges



Modern Methods of Construction (MMC)



Modern Methods of Construction (MMC)



Social Value to the Local Community



Social value is defined as the contribution you make to society and in particular to the local community where you operate. We create social value by keeping everyone safe, developing our people, building long term relationships and enhancing local communities by providing training and work opportunities and supporting local community projects.



Summary

TClarke is in excellent shape, focused on repositioning the businesses and delivering our strategy of £500m revenues.

- We entered 2023 with a growing forward order book of £555m, up 4% on 2021
- TClarke is well placed to address and work through any external challenges and uncertainties and continue to perform and deliver
- Our strong commercial and management focus and controls gives TClarke the strength and stability to continue to grow, prosper and perform
- In the 21st century we must embrace new challenges, none greater than to mitigate the impacts of climate change. Working with our partners and suppliers to provide the innovative engineered solutions and new opportunities that are needed to achieve net zero emissions
- Social value is defined as the contribution you make to society and in particular to the local community where you operate. We create social value by keeping everyone safe, developing our people, building long term relationships, and enhancing local communities by providing training and work opportunities and supporting local community projects
- Record intake of 50 Apprentices, with 210 now employed across TClarke
- New target of 25% women in apprenticeship and training roles by 2028
- Going forward - No acquisitions expected or needed
- Strong earnings per share growth; basic earnings per share up 31% to 19.6p
- Strong balance sheet; Net Assets £38.7m up 46%
- Progressive dividend policy: 10% increase

TClarke is well placed to address and work through any external challenges and uncertainties and continue to perform and deliver.

London Current Live Projects



One Nine Elms



Peninsula Hotel



8 Bishopgate



Bankside Yards



Battersea Power Station 3B



KGX1



2 Ruskin Square



London Stadium - Stratford



Canada Water



Millennium Building, Wimbledon

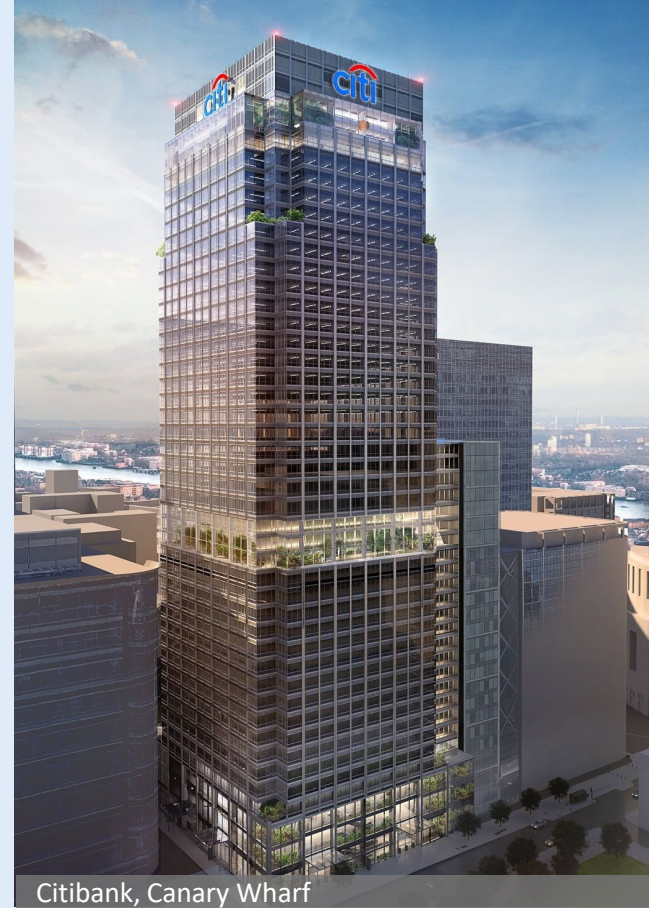
London Current Live Projects



International Quarter London S4 (IQL)



The Westbury Hotel



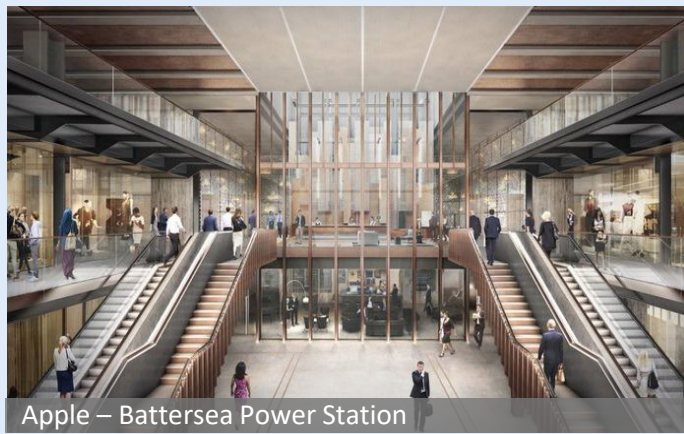
Citibank, Canary Wharf



Sunset Studios



30 Fenchurch Street



Apple – Battersea Power Station



76 Upper Ground

UK North Current Live Projects



Keepmoat Northbridge Regeneration Project, Glasgow



Neilston Learning and Leisure Campus, Glasgow



Edinburgh Royal Blind School



Hughes House, Liverpool



Cala Homes Boroughmuir, Edinburgh



Barratt Homes, Heron Bank, Edinburgh



Points Cross, Leeds



Radbroke Hall, Knutsford

UK South Current Projects

PALL Filtration Facility, Newquay



Bristol Beacon



Clive Booth Student Village



Royal Cornwall Hospital MRI & Oncology



Royal Cornwall Women's & Children's Hospital



Milton Keynes University Hospital Radiotherapy



PALL Filtration Facility, Newquay



Tempo Maidenhead



National Rehabilitation Centre



Osney Power Station



Sawston Unity Campus, Cambridgeshire

London Opportunities



1 Undershaft



Museum of London



Lansdowne House, Berkeley Square



Gateway East, White City



130 Fenchurch Street

London Opportunities



120 Fleet Street



New Zealand House,



Timber Square



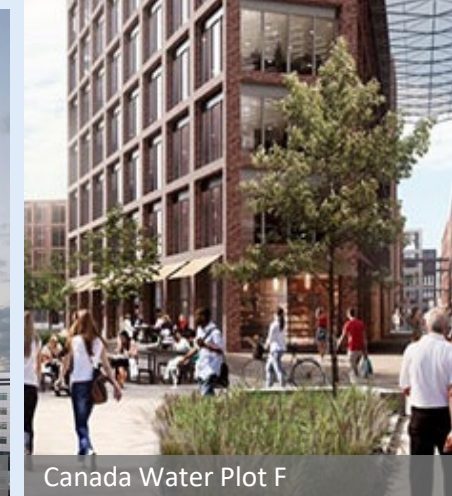
72 Upper Ground



41 Tower Hill



2 Finsbury Avenue



Canada Water Plot F

UK North Opportunities



Atlantic Quay, Glasgow (500 apartments)



Love Loan Studio Apartments, Glasgow



Booth Street University, Manchester



University of Salford, Institute of Technology



Supercity Aparthotel, Edinburgh



Eurostampa, Printing Facility, Edinburgh



Points Cross, Leeds



Skinner Street, Leeds

UK South Opportunities

